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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/886,434	06/21/2001	Rodrigo Munoz	G03.012	7615
28062	7590	08/10/2005	EXAMINER	
BUCKLEY, MASCHOFF, TALWALKAR LLC 5 ELM STREET NEW CANAAN, CT 06840				GRAHAM, CLEMENT B
		ART UNIT		PAPER NUMBER
				3628

DATE MAILED: 08/10/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/886,434	MUNOZ ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Clement B. Graham	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 21 July 2001.
- 2a) This action is FINAL.                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-27 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-27 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
 Paper No(s)/Mail Date 2/26/2002.
- 4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date. \_\_\_\_\_
- 5) Notice of Informal Patent Application (PTO-152)
- 6) Other: \_\_\_\_\_

**DETAILED ACTION*****Claim Rejections - 35 USC § 102*****Claim Rejections - 35 USC § 102**

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

2. Claims 1-27, are rejected under 35 U.S.C. 102(b) as being anticipated by Tom U.S Patent 5, 696, 907).

As per claim 1, Tom discloses a method of pricing a financial product, the method comprising:

receiving application data;

selecting a price for said financial product(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44) calculating, based at least in part on said application data, expected cash flow data;

calculating, based at least in part on said expected cash flow data and said price, a potential return on investment (ROI) for said application; and approving said application with said price if said potential ROI is within a target ROI. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 2, Tom discloses wherein said application data includes at least one of: applicant information, collateral information, and payment information. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 3, Tom discloses further comprising:  
repeating said selecting a price, calculating expected cash flow data, and calculating a potential ROI if said potential ROI is not within said target ROI. (see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 4, Tom discloses wherein said selecting a price further comprises

increasing said price by an increment. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 5, Tom discloses wherein said price is an annual percentage rate (APR) and wherein said increment is 0.25. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 6, Tom discloses wherein said selecting a price further comprises decreasing said price by an increment. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 7, Tom discloses wherein said price is an initial price, and wherein said price is an annual percentage rate (APR), and said initial price is selected below a current market APR. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 8, Tom discloses further comprising calculating expected loss data, wherein said calculating comprises:

executing an account level loss forecast model(see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

executing a termination event model; and

calculating an expected loss in response to the execution of the account level loss forecast model and the execution of the termination event model. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 9, Tom discloses wherein said executing an account level loss forecast model further comprises:

calculating a future value for an item of collateral associated with said application. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 10, Tom discloses wherein said calculating expected loss data further comprises:

executing a risk model to compute a credit risk(Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) and generating probabilities

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of one or more termination events occurring before expiration of said financial product to form one or more termination scenarios. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 11, Tom discloses wherein said calculating a potential ROI further comprises:

forecasting, based at least on said price, the severity of loss of said termination scenarios to form one or more loss scenarios(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) calculating net income and annualized net investment for said loss scenarios; and determining a potential R01 based on a ratio comprising said net income and said annualized net investment. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 12, Tom discloses wherein said generating probabilities further comprises:

generating probabilities of said termination events occurring in relation to a plurality of payment times. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 13, Tom discloses wherein said forecasting the severity of loss further comprises:

forecasting the severity of loss of said termination scenarios for at least a 4plurality of payment times. (see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44).

As per claim 14, Tom discloses wherein said financial product requires an item of collateral and wherein said forecasting comprises:

forecasting a current balance on book; forecasting a market value of said collateral; and calculating a difference between said current balance on book and said 6market value of said collateral. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 15, Tom discloses wherein said forecasting a market value is

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performed using at least one of: Winter's multiplicative time series estimation(see column 8-10 lines 1-67 and column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44) Or an exponential decay between a manufacturer suggested retail price of said collateral and a residual value of said collateral at the expiration. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 16, Tom discloses wherein said financial product is a lease. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 17, Tom discloses wherein said termination events comprise at least one of: repossession with delinquencies, early payoff, insurance loss, and repossession without delinquencies. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 18, Tom discloses wherein said financial product is a loan.

As per claim 19, Tom discloses wherein said termination events comprise at least one of: repossession, non-collateralized loss and early payoff. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 20, Tom discloses a computer-readable medium bearing a computer program containing instruction steps such that upon installation of said computer program in a general purpose computer, the computer is capable of performing the method of claim 1. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 21, Tom discloses a method of pricing a financial product, the method comprising:

receiving application data;

selecting an initial price for said financial product;

calculating, based at least in part on said application data, expected loss data(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-44)

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calculating (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) based at least in part on said expected loss data and said initial price, a potential return on investment (ROI) for said application; selecting a revised price for said financial product if said potential ROI based on said initial price is outside a target ROI(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) calculating, based at least in part on said expected loss data and said revised price, a revised potential ROI for said application; and approving said application if said revised potential ROI for said application is within a target ROI. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 22, Tom discloses an apparatus for pricing a financial product, the apparatus comprising: a processor; a communication device, coupled to said processor, receiving application data from at least a first user device; and a storage device in communication with said processor and storing instructions adapted to be executed by said processor to: select a price for said financial product; calculate, based at least in part on said application data, expected loss data(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) calculate, based at least in part on said expected loss data and said price, a potential return on investment (ROI) for said application; and approve said application with said price if said potential ROI is within a target ROI(Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 23, Tom discloses wherein said storage device further storing instructions adapted to be executed by said processor to: select an updated price for said financial product if said potential ROI is not within a target ROI based on said initial price(Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) calculate an updated potential ROI for said application(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) and approve said application with said updated price if said

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updated potential ROI is within said target ROI. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 24, Tom discloses a system for pricing a financial product, comprising:

at least a first user device having a processor, a communication device, coupled to said processor, configured to send and receive data over a network(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) and a storage device in communication with said processor and storing instructions adapted to be executed by said processor to receive application data(see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) and forward said application data to an at least first lender device said at least first lender device having a second processor, a second communication device, coupled to said second processor, configured to send and receive data over said network and to receive said application data; and a second storage device in communication with said second processor and storing instructions adapted to be executed by said second processor to ,select a price for said financial product (see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67)

calculate, based at least in part on said application data, expected loss data; calculate, based at least in part on said expected loss data and said price, a potential return on investment (ROI) or said application; and approve said application with said price if said potential ROI is within a target ROI. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 25, Tom discloses wherein said second storage device further storing instructions adapted to be executed by said second processor to forward application approval data to said at least first device. (see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 26, Tom discloses a computer program product in a computer readable medium for pricing a financial product, comprising:  
first instructions for receiving application data;

second instructions for selecting an initial price for said financial product (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67); third instructions for calculating, based at least in part on said application data, expected loss data (see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67); fourth instructions for calculating, based at least in part on said expected loss data and said initial price, a potential return on investment (ROI) for said application (see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67); fifth instructions for selecting a revised price for said financial product if said potential ROI based on said initial price is outside a target ROI; sixth instructions for calculating, based at least in part on said expected loss data and said revised price (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67) a revised potential ROI for said application; and seventh instructions for approving said application if said revised potential ROI for said application is within a target ROI. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

As per claim 27, Tom discloses a device for pricing a financial product, the device comprising:

means for receiving application data;

means for selecting a price for said financial product;

means for calculating, based at least in part on said application data, expected loss data (see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

means for calculating, based at least in part on said expected loss data and said price, a potential return on investment (ROI) for said application; and means for approving said application with said price if said potential ROI is within a target ROI. (Note abstract and see column 3 lines 39-67 and column 4-6 lines 1-67 and column 7 lines 1-67).

#### Conclusion

3. The prior art of record and not relied upon is considered pertinent to Applicants disclosure.

Kolling et al (US Patent 5920847) teaches electronic bill pay system.

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Silverman (US 6,252,869 Patent) teaches data network security system and method.

Lawlor (US Patent 5,220,501) teaches method and system for remote delivery of retail banking services.

4. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

July 29, 2005

  
FRANTZY POINVIL  
PRIMARY EXAMINER  
*Au 3628*